

**Analysis of MidPen Proposal in Context of
NOFA Goals and Housing Priorities**

Project Goals

1. *Housing units will remain affordable for at least 55 years.*

MidPen Housing has stated that they are committed to keeping the development affordable for 55 years as required by the City of Mountain View.

2. *The project's management plan promotes a healthy living environment for tenants and a compatible relationship with neighbors.*

MidPen Housing has stated that they will incorporate energy efficiency to meet Title 24, but specific green building features will be decided upon as the project progresses.

3. *The project is consistent with the goals and objectives of the City's Housing Element and General Plan.*

The project will be consistent with the goals of the City Housing Element to provide additional affordable units in the City of Mountain View. The site is located in the 460 North Shoreline Boulevard Precise Plan which will require an amendment for the new units.

4. *The project has reasonable costs, is structured to compete well in securing competitive funding sources, and is soundly underwritten.*

To complete the construction of the proposed development, MidPen Housing is requesting \$6.48 million from the City of Mountain View in the form of a low-interest loan. In addition to the \$6.48 million subsidy being requested from the City, MidPen Housing intends to apply for 4 percent non-competitive tax credits.

Land and construction costs factor into the cost to develop affordable units. Per-unit construction costs are generally going to vary based on the land and development costs, which are specific to each project, and the size and number of units. The table below shows a comparison of overall construction costs for the four most recent affordable developments and MidPen Housing's NOFA proposal.

Attachment 4

Project	No. of Units/ No. of Bedrooms	Project Cost	Project Cost Per Unit	City Subsidy Cost	City Subsidy Per Unit
Studio 819	48 workforce studios <u>1 one-bedroom manager unit</u> 49 units total	\$17,396,762	\$355,036	\$9,000,000	\$183,673
1585 Studios	26 studios <u>1 one-bedroom manager unit</u> 27 units total	\$10,468,465	\$387,721	\$4,652,000	\$172,296
779 East Evelyn Avenue	11 studios 45 one-bedroom units 44 two-bedroom units 15 three-bedroom units <u>1 manager unit</u> 116 units total	\$62,405,964	\$537,982	\$21,700,000	\$187,069
PAH Project 1701 West El Camino Real	62 studios 4 one-bedroom units <u>1 one-bedroom manager unit</u> 67 units total	\$28,408,189	\$424,002	\$7,000,000	\$104,477
MidPen Housing NOFA 460 North Shoreline Boulevard	21 Studios 21 one-bedroom 8 two-bedroom <u>12 three-bedroom</u> 62 units total	\$25,947,645	\$418,510	\$6,482,931	\$104,563

5. *The project will allow the City to spend housing funds expeditiously.*

Currently, the City has \$6.5 million in affordable housing funds that could be used in the development of affordable housing. Should the City Council reserve funding for this project, most of the affordable housing funds could be encumbered and spent within a two-year period.

6. *The project site is near transit and services and is convenient for the target population.*

The site is within ½ mile of major transit lines and very close to services including a shopping center with a grocery store and restaurants.

7. *The project site would allow for a development to achieve maximum density.*

As mentioned earlier, the site is located within the 460 North Shoreline Boulevard Precise Plan which caps the total units at 120. To achieve a higher density, the precise plan will need to be amended to increase the maximum units allowed. The proposal does maximize unit potential by taking advantage of underdeveloped portions of the property.

8. *The building design/construction will incorporate “green” building practices and material.*

MidPen Housing has stated that the apartments will be energy efficient, but they have not decided on what level of green building standard will be achieved.

9. *The project is compatible with the zoning and neighborhood setting.*

As mentioned earlier, the site is located within the 460 North Shoreline Boulevard Precise Plan which caps the total units at 120. To achieve a higher density, the precise plan will need to be amended to increase the maximum units allowed. However, since the proposal calls for increasing the units in a residential development, the proposal is compatible with the neighborhood setting.

10. *The project incorporates appropriate community spaces, amenities, and services for the target population.*

The development will have sufficient community space for the new units including a community room, computer room, laundry facility and fitness center.

11. *The development team has demonstrated experience with successful affordable housing projects and the capacity to work cooperatively with the community in the design and development of the project.*

MidPen Housing has demonstrated that it is an experienced affordable housing developer that has the capacity to work cooperatively with the community and be responsive to community comments. MidPen Housing has eight affordable developments in Mountain View, including Shorebreeze.

12. *The development team has a demonstrated ability to work cooperatively and effectively with City staff during the initial evaluation and subsequent entitlement process.*

MidPen Housing has acquired considerable experience working with City staff through its previous development projects. Staff anticipated that MidPen Housing will be able to build on the experience and work cooperatively with City staff through the entitlement and financing process.

Housing Priorities

The following two priorities have been listed in the NOFA as part of the NOFA selection criteria. Below is the evaluation of how the proposal has addressed each priority.

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1. *Housing targeted to households earning less than 80 percent area median income (AMI), with preference to projects serving very low- and extremely low-income households.*

The proposed affordable units will be targeted at households at 60 percent AMI or less.

2. *Housing providing the dual benefit of developing affordable housing and creating a substantial improvement of a blighted property and/or neighborhood.*

Although the proposed site is not considered blighted the proposed residential use on this site will provide additional affordable residential units to the community and is seen as a site improvement.